



July 30, 2004

Federal Communications Commission
Washington, DC 20554

Re: RM No. 11019

The Matter of Petition for Rulemaking or, Alternatively a Waiver of the Closed Bidding Rules for C Block Licenses in the Broadband Personal Communications Services

OPPOSITION OF NTCH, INC.

NTCH, Inc. is a small independent carrier serving over 30,000 customers in rural markets. Our low cost no contract, no credit approval, monthly flat rate monthly service enables individuals who either cannot afford or cannot qualify for wireless phone service from the larger national and regional carriers.

Our company has only been able to offer these services because of the opportunities to acquire spectrum at prices commensurate with our business plan that were provided by the Designated Entity (DE) rules in place for Auction 22. The rule changes made for Auction 35 which opened up C Block spectrum to non-DEs limited our ability to obtain larger markets in that auction. Adding insult to injury, the overall spectrum prices were run up by large carrier DE fronts and whereas they did not have to pay for their bids, small companies like ourselves were not given the option to opt out when the auction was flawed.

The petitioners argue that much of the C and F block spectrum has remained fallow because closed bidding is flawed. The fact is that any past problem resulted from the now abandoned installment financing program and the resulting litigation and bankruptcies, not because the DE concept failed.

The intent of setting aside DE blocks was to foster innovation and delivery of services to the public. Enabling companies like ourselves from serving a segment of the population who would otherwise not be able to access wireless services from the larger carriers is good public policy.

Despite the good intentions of the legislature and Commission, the larger carriers successfully bid in closed blocks through DE alliances, destroying the original intent of closed blocks. Ironically, any argument by the petitioners that closed bidding has been a failure is a reflection on the largest carriers who formed these DE fronts and all still offer nearly identical service plans competing for the same customers.

Opening previously closed blocks in the larger markets for Auction 35 was a mistake and should be corrected. By eliminating larger market opportunities to us, and to other companies who wish to offer services similar to ours, the customer base we service will continue to be disenfranchised in the largest possible numbers.

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For this reason, we respectfully request that you reject the Petition and if any changes to the auction rules as proposed are made, it should be as follows (to more closely match the rules in place for Auction 22);

- Return All Open Blocks in the C and F bands to Closed Blocks
- Reduce All Minimum Opening Bids to facilitate participation
- Institute tighter standards to qualify Designated Entities (eliminate the large carrier "fronts")

Sincerely,

NTCH, Inc.

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President

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